

Agency Activity Inventory
by Agency
Appropriation Period: FY 2008-09

Agency: R28 - Department of Consumer Affairs

Functional Group: Transportation & Regulatory

1349 Consumer Services

Legislative Mandate: The S. C. Consumer Protection Code (Section 37-6-117) authorizes the Administrator to: (a) Receive complaints of individuals pertaining to any consumer transaction arising out of the production, promotion or sale of consumer goods and services; endeavor to determine the probable basis and merit of such complaint and advise the complainant of such determination; (b) Subject to the provisions of 37-1-118, refer to the appropriate state or federal agency any complaint which is under the jurisdiction of such agency, for appropriate action; (c) Endeavor to bring about a voluntary adjustment of any such complaint not within the jurisdiction of any regulatory or enforcement agency.

Statewide Result Area: Improve the conditions for economic growth

Strategy: Provide for a reasonable and safe business regulatory environment.

FY 2008-09

| Total | General Funds | Federal Funds | Health / Non-Recurring | CRF | Other Funds | FTEs |
|--------------|----------------------|----------------------|-------------------------------|------------|--------------------|-------------|
| \$704,608 | \$675,608 | \$0 | \$0 | \$0 | \$29,000 | 17.00 |

Other Fund - Subfund No & Title:

3035, Operating revenue

Budgetary Program No.: III.

Expected Results:

Complaint Analyst will process and mediate written consumer complaints seeking to find equitable solutions for the consumer and the business, including refunds, adjustments and credits to consumer accounts. The Consumer Services Division typically recovers more money on behalf of consumers of the State of South Carolina than its cost of operations. Refunds, adjustments and credits totaled \$1,707,000 for FY 08. The Division also takes on such nonlitigation matters which benefit consumers, such as fielding customer calls, providing advice to other state agencies, referring complaints to other agencies, providing consumer education and outreach activities. The Division implemented a new consumer awareness program known as Buyer Beware in FY04. The Buyer Beware list is posted on the Agency's Web page for all businesses that do not respond to consumer complaints. The Division will continue its outreach efforts through visitation and consultation with consumers at satellite locations on a monthly basis. An after hour service program will be implemented to serve consumers and taxpayers that are unable to reach us during normal business hours. This program will provide after hour educational forums and individual consultation.

Outcome Measures:

The Consumer Services Division conducts a comparison of year end program results on a number of key indicators such as: the amount of refunds and adjustments achieved for consumers; the number of closed complaints; the highest and most prevalent category of complaint; the number of complaints filed by consumers in the 46 counties of the state; the percentage of complaints closed as satisfied, unsatisfied, abandoned, and referred to other agencies; the number of consumer assisted telephone calls received; and the total number of telephone calls received.

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1350 Legal Division

The Legal Division is mandated to administer, interpret, and enforce the South Carolina Consumer Protection Code (37-1-101 et seq.) South Carolina Motor Club Services Act, the Physical Fitness Services Act, the Athlete Agents Act, the Mortgage Loan Broker Act, the Pawnbroker Act, the Automobile Lemon law, the Consumer Credit Counseling Act; to promulgate regulations to implement the above acts; to protect consumers from unfair or deceptive market practices. To initiate and encourage educational programs that inform consumers of market practices and schemes which are fraudulent, deceptive or illegal. To encourage honest and fair business practices. On July 1, 2006 the Legal Division assumed the regulatory powers and duties relating to the sale of Preneed Funeral Contracts in the State of South Carolina.

Statewide Result Area: Improve the conditions for economic growth

Strategy: Provide for a reasonable and safe business regulatory environment.

FY 2008-09

| Total | General Funds | Federal Funds | Health / Non-Recurring | CRF | Other Funds | FTEs |
|--------------|----------------------|----------------------|-------------------------------|------------|--------------------|-------------|
| \$1,333,190 | \$98,526 | \$67,500 | \$0 | \$0 | \$1,167,164 | 22.00 |

Other Fund - Subfund No & Title:

3035, Operating revenue

Budgetary Program No.: II.

Expected Results:

Review and inspect business locations for proper filing, posting, and compliance. Participate in joint state and federal investigation of odometer fraud committed in this State. Enforce the Consumer Protection Code, Motor Club Act, Physical Fitness Services Act, the Athlete Agents Act, Mortgage Loan Broker Act, the Pawnbrokers Act, the Consumer Credit Counseling Act, the Automobile Lemon Law and the Preneed Funeral Contract Act. The Legal Division enforces state and federal laws prohibiting unfair and deceptive business practices in trade or commerce in accordance with the SC Consumer Protection Code. Current areas of enforcement focus on mortgage loan brokering, odometer rollbacks and predatory lending. These activities help to eliminate potential problems and to provide consumers with tools to educate themselves and make better decisions.

Outcome Measures:

The Legal Division conducts a comparison of year end program results on a number key indicators such as: the number of regulatory compliance reviews; the number of licensing application reviews; the number of advertising compliance letters issued; the number of public information presentations; the amount of consumer refunds obtained; and the number of delinquent maximum rate files investigated; the number of continuing education hours offered to mortgage loan brokers; and the number of administrative hearings adjudicated.

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1351 Advocacy Division

Legislative mandate: (37-6-601-37-6-609) The principal purpose of the Division of Consumer Advocacy is to provide a legal representative for the consumer interest in matters concerning rates for property and casualty insurance, and workers compensation insurance. The Consumer Advocate has statutory standing to intervene as a party of record in these proceedings on behalf of the public at large, but not for individual consumers. The attorneys on staff are assisted by outside experts, who are retained using funds provided in the Department's budget. The Consumer Advocate also has the statutory right to appeal decisions in the cases in which he participates. The Advocacy Division also regulates the Continuing Care Retirement Community Act, Professional Employer Organizations, and effective January 1, 2007, Medical Discount Plans. The Division also investigates the sale of cosmetic contact lens that are dispensed without a prescription.

Statewide Result Area: Improve the conditions for economic growth

Strategy: Provide for a reasonable and safe business regulatory environment.

FY 2008-09

| Total | General Funds | Federal Funds | Health / Non-Recurring | CRF | Other Funds | FTEs |
|--------------|----------------------|----------------------|-------------------------------|------------|--------------------|-------------|
| \$449,673 | \$261,837 | \$0 | \$0 | \$0 | \$187,836 | 6.00 |

Other Fund - Subfund No & Title:

3035. Operating revenue

Budgetary Program No.: IV.

Expected Results:

Review insurance notices filed with the Department of Insurance. Participate and intervene into hearings involving insurance filings at the SC Department of Insurance. These filings involve automobile rate filings, home owner's policies and worker's compensation rate increase filings. Submit evidence in hearings that demonstrate that the rate increase request is not justified and seek adjudications or settlements that generate savings for consumers and rate payers.

Outcome Measures:

The Advocacy Division conducts a comparison of year end program results on a number of key indicators such as: the number of new insurance cases; the number of new court cases; new federal cases; the number of insurance cases resolved; the amount of savings from insurance cases; the number of court cases resolved; the amount of savings for court cases; the number of insurance notices received.

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1352 Public Information

Legislative Mandate: SC Consumer Protection Code 37-6-117(e). Inform South Carolina consumers of market practices that are illegal, deceptive or unfair, and inform them of their rights and responsibilities as consumers. Educate South Carolina consumers regarding credit practices and problems through the use of various educational programs including fact sheets and pamphlets on consumer topics, educational material on the WEB page and class room presentations to school children.

Statewide Result Area: Improve the conditions for economic growth

Strategy: Provide for a reasonable and safe business regulatory environment.

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| Total | General Funds | Federal Funds | Health / Non- Recurring | CRF | Other Funds | FTEs |
|--------------|--------------------------|--------------------------|------------------------------------|------------|------------------------|-------------|
| \$215,307 | \$186,307 | \$0 | \$0 | \$0 | \$29,000 | 5.00 |

Other Fund - Subfund No & Title:

3035, Operating Revenue

Budgetary Program No.: V.

Expected Results:

To develop in South Carolina a high degree of awareness of consumer rights and responsibilities through the media, direct access to churches and civic groups, cooperative efforts with business, and other government agencies.

Outcome Measures:

The Public Information Division conducts a comparison of year end program results on a number of key indicators such as: The number of news releases issued; the number of presentations made in the SC Secondary School system; the number of presentations made to civic groups, community groups and professional organizations; the number of request for public information and pamphlets on consumer protection topics and issues; the number of recalled product visits made to SC stores.

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1353 Administration

The SC Consumer Protection Code (SCCPC) Administrator's Office (37-6-101 et. seq.) is a part of the Administration Division. The administrative powers granted by the SCCPC to the Administrator are extensive and include not only the licensing and investigative powers, but also broad administrative powers, including injunctions and the authority to adopt substantive rules and to issue Declaratory Opinions and Administrative Interpretations for all types of transactions covered by the Code. The Division of Administration is also responsible for providing budget, supply, personnel, training, data processing, news releases and consumer protection education and other administrative support to the S.C. Department of Consumer

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Affairs. In addition, the Division is responsible for maintaining files and accounting for revenue generated from the agencies licensing programs. The Administrative Division is also responsible for administering the Consumer Credit Grantor Notification filing program, the Maximum Rate Schedule filing program and the Motor Vehicle Dealer Closing Cost Disclosure program.

Statewide Result Area: Improve the conditions for economic growth

Strategy: Administration

FY 2008-09

| Total | General Funds | Federal Funds | Health / Non- Recurring | CRF | Other Funds | FTEs |
|--------------|--------------------------|--------------------------|------------------------------------|------------|------------------------|-------------|
| \$1,065,271 | \$730,271 | \$0 | \$0 | \$0 | \$335,000 | 15.00 |

Other Fund - Subfund No & Title:

3035. Operating revenue

Budgetary Program No.: I.

Expected Results:

Administrative hearings will be scheduled to adjudicate and penalize violators of the SCCPC and other laws regulated by the Department. Restitution to injured consumers will be sought from violators of the laws through the use of settlements, fines and other penalties. All funds will be expended in accord with state laws and regulations issued by the Comptroller General. Licensing fees will be collected and deposited to the State Treasurer's account on a timely basis. Employees will be paid in accordance with pay bands established by the B & C Board and OHRS. GAAP closing packages will be submitted to the CG's office before scheduled deadlines. The SC Procurement Code will be adhered to for all procurements. Clean financial audits are expected from the State Auditor's Office. Programs will be administered in the most cost effective method.

Outcome Measures:

The Administration Division conducts a comparison of year end program results on a number of key indicators such as: organizational performance on the annual financial audit; compliance with GAAP closing package deadlines; an analysis of employee/workforce technology needs; number of employee performance evaluations with a meets, exceeds or substantially exceeds rating; the amount of revenue budget variance for each revenue line item; the amount of administrative fines collected and the amount of fines and penalties collected for notification and maximum rate filers; the amount and type of training provided to attorneys and other personnel.

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AGENCY TOTALS

Department of Consumer Affairs

| | | | |
|---------------------------|---|------------------------------------|--------------------------|
| TOTAL AGENCY FUNDS | TOTAL GENERAL FUNDS | TOTAL FEDERAL FUNDS | TOTAL OTHER FUNDS |
| \$3,768,049 | \$1,952,549 | \$67,500 | \$1,748,000 |
| | TOTAL HEALTH/NON-RECURRING FUNDS | TOTAL CAPITAL RESERVE FUNDS | TOTAL FTEs |
| | \$0 | \$0 | 65.00 |